

May 18, 2006

Docket Clerk
Fruit and Vegetable Programs AMS-USDA
1400 Independence Avenue, SW., Stop 0243
Washington D.C. 20250-0243

Dear Sirs:

Michigan Farm Bureau is the largest general farm organization in Michigan representing over 47,000 farm family members. We are pleased to provide these comments regarding the Specialty Crop Block Grant Program; Notice of Request for Approval of a New Information Collection (Docket No. FV06-1290-1 PR, as printed in the Federal Register, Vol. 71, No. 76, April 20, 2006, pages 20353-20357).

We have concerns about several portions of the proposed rule. Our first concern relates to the stated purpose of the Specialty Crop Block Grant Program (SCBGP), as the proposed rule is not consistent in defining the program's purpose. In references on page 20353, 20354, and 20356 (1290.4 and 1290.6) the proposed rule indicates that the program's purpose is to "enhance the competitiveness of specialty crops." In other references to the program's purpose (or goals) on pages 20354 and 20355, the proposed rule states the purpose as "increasing fruit, vegetable and nut consumption and improving the competitiveness of specialty crops." The SCBGP implementing legislation (Specialty Crop Competitiveness Act of 2004 – Title 1) clearly indicates that the purpose of the specialty crop block grants shall be "to enhance the competitiveness of specialty crops" (Section 101(a) and (e)). While increasing consumption of fruit, vegetables and nuts could be a part of improving overall specialty crop competitiveness, we believe that the final rule should clarify the program's purpose as "to enhance the competitiveness of specialty crops."

Our next area of concern relates to the reference on page 20356 (Section 1290.4 Eligible grant projects) that a "Priority will be given to fresh specialty crop projects." We have thoroughly reviewed the implementing legislation (Specialty Crop Competitiveness Act of 2004 – Title 1), and we can find no basis for a priority for fresh utilization projects over any other type of specialty crop competitiveness projects, such as processed utilization projects. We are opposed to the addition of the fresh priority language, and request that this reference be removed from the final rule.

Another issue is in regards to a clarification of what is included as a "specialty crop." The proposed rule indicates on pages 20354 and 20356 that specialty crops "mean fruits, vegetables, tree nuts, dried fruits, and nursery crops (including floriculture)." The specialty crop list in the proposed rule is consistent with the definition of specialty crop in the Specialty Crop Competitiveness Act. In most cases, we can easily determine the crops that are included and excluded from this list. However, we are uncertain as to the treatment of sod (turf), Christmas trees, sugar beets and dry beans. We would support including sod and Christmas trees as nursery crops. Dry beans and sugar beets should

also be included as they are normally classified as a specialty crop, and they were included in the earlier specialty crop block grant program. We would encourage the inclusion of these crops in the SCBGP, and we request additional clarification in the final rule as to the inclusion of these crops.

Our final area of concern relates to the reporting, oversight and auditing requirements for States participating in the SCBGP. Of the \$7 million currently appropriated by Congress for the operation of this program, Michigan will receive approximately \$135,000. This is a very small sum of money given the relative size of the Michigan specialty crops industry. To minimize the overhead costs, and maximize the actual funds available to enhance the competitiveness of specialty crops in Michigan, we request that AMS-USDA consider a streamlining and consolidating of reporting, oversight and auditing requirements. If Congress should expand appropriations for the SCBGP in the future we would support implementing a more rigorous set of requirements.

Sincerely yours,

Ken Nye, Commodity Specialist
Michigan Farm Bureau